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RECORDATION NO. _____ FILED 1425

FEB 19 1991 -3 15 PM

INTERSTATE COMMERCE COMMISSION

THE FIFTH THIRD BANK

LEGAL DEPARTMENT

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RECORDATION NO. _____ FILED 1425

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INTERSTATE COMMERCE COMMISSION
1-5550A060

January 22, 1991

Ms. Mildred Lee
INTERSTATE COMMERCE COMMISSION
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. Lee:

Please find enclosed herewith an original and certified set of documents by and between Laurinburg and Southern Railroad Company, located at P. O. Box 1929, Laurinburg, North Carolina 28362, Carolina Power and Light Company, located at P. O. Box 1551, Raleigh, North Carolina 27602 and The Fifth Third Bank Leasing Company, located at 38 Fountain Square Plaza, Cincinnati, Ohio 45263. The documents enclosed include the following:

- a. Promissory Note;
- b. Security Agreement;
- c. Assignment of Lease; and
- d. Notice and Acknowledgement of Assignment.

It is Fifth Third's intention to take a security interest in the equipment described in Schedule A of the Security Agreement. I have also enclosed a check in the amount of \$15.00 representing filing fees. Please return the original documents in the self-addressed envelope that I have enclosed. Should you have any questions, please feel free to call me at (513) 579-5193.

Thank you in advance for your cooperation in this matter.

Sincerely,

THE FIFTH THIRD BANK,

Ann M. Blase

Ann M. Blase
Paralegal

AMB:km
Enclosures

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NOTED BY THE BANK

FEB 19 1991 - 3 15 PM

NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT ^{INTERSTATE COMMERCE COMMISSION}

Reference is hereby made to the documents listed on Schedule A, attached hereto (the "Operative Documents") between LAURINBURG AND SOUTHERN RAILROAD COMPANY as Lessor (the "Lessor"), and CAROLINA LIGHT AND POWER COMPANY, as Lessee (the "Lessee").

Lessor hereby gives Lessee notice that Lessor has sold, assigned, or otherwise conveyed to FIFTH THIRD LEASING COMPANY ("Fifth Third") all of its rights in the Operative Documents. Lessee agrees, upon notice received from Fifth Third, to make payment of any and all monies due or to become due to Lessor thereunder to Fifth Third at its offices located at 38 Fountain Square Plaza, Cincinnati, Ohio 45263 unless Fifth Third instructs Lessee otherwise in writing.

In recognition of Fifth Third's reliance upon this Notice and Acknowledgement of Assignment and agreement to advance funds to Lessor, and in consideration of Fifth Third's Agreement not to interfere with Lessee's quiet possession of the equipment which is the subject of the Operative Documents (the "Equipment") subject to the terms of the Operative Documents. Lessee certifies, confirms and agrees as follows:

1. That Lessee will not assert against Fifth Third any defense, claim, counterclaim, recoupment, set off, or right to cancel or terminate the Operative Documents which Lessee may have against Lessor or any other entity. Lessee agrees that it will pay (so long as all terms of contract between Lessor & Lessee are adhered to) to Fifth Third upon notice from Fifth Third all monies due or to become due under the Operative Documents. Lessee shall not be obligated to make any payment or perform any obligation under the Operative Documents in favor of Fifth Third if, when no event of default shall have occurred and be continuing, Fifth Third interferes with Lessee's right to quiet enjoyment of the Equipment. Notwithstanding the foregoing, nothing herein shall be deemed to relieve Lessor of any obligations to Lessee under the Operative Documents.

2. That the Equipment is in Lessee's possession at the address specified to Lessor upon acceptance of the Equipment, that the Equipment has been inspected by duly authorized representatives of Lessee and has been fully and finally accepted by duly authorized representatives of Lessee as the Equipment described in the Operative Documents and found to be in good working order and suitable for the Lessee's purposes in all respects.

3. That the Operative Documents are in full force and effect and that any modification, amendment or supplement to the Operative Documents have been approved by Fifth Third. Said approval shall not be unreasonably withheld or delayed. Any future modification, amendment or supplement to the Operative Documents shall be ineffective without Fifth Third's prior written consent, which will not be unreasonably withheld or delayed.

4. That neither Lessee nor, to Lessee's knowledge, Lessor has breached the terms of the Operative Documents in any material respect and that payments of any and all monies due under the Operative Documents have been and will continue to be paid in strict accordance with the terms of the Operative Documents.

5. Lessee acknowledges that Fifth Third has not assumed any obligations of Lessor, or any other party under the terms of the Operative Documents, and Fifth Third shall not be responsible in any way for the performance by Lessor or any other party of the terms and conditions of the Operative Documents. Further, Lessor hereby notifies Lessee that Fifth Third is entitled to the benefits of each and every right either accorded Lessor in the Operative Documents or payment of costs and expenses incurred in exercising rights and remedies under the Operative Documents, including reasonable attorney's fees, and the right to receive notices and other documents required to be furnished under the Operative Documents.

6. That Lessee has received no notice of a prior sale, transfer, assignment, hypothecation or of the pledge of the Operative Documents, the rents reserved thereunder or the Equipment. The terms of the Operative Documents notwithstanding, Lessee agrees not to enter into any assignment, sublease, or other transfer of its rights, duties, obligations or interest in the Operative Documents or Equipment without Fifth Third's prior written consent.

7. Lessee is aware of no claim of any kind or nature in or to the Equipment, or of any lien thereon other than Lessor's interest, Fifth Third's security interest and Lessee's rights thereto under the Operative Documents and that Lessee will keep the Operative Documents and Equipment free and clear of all liens and encumbrances.

8. All representations and duties of Lessor intended to induce Lessee to enter into the Operative Documents whether required by the Operative Documents or otherwise have been fulfilled.

9. Lessee represents and warrants to Fifth Third that the Operative Documents represent the sole agreement between Lessor and Lessee respecting the Equipment, the rentals, and all other payments due under the Operative Documents.

10. Any notices under or pursuant to this Agreement shall be deemed duly sent when delivered in hand or when mailed by registered or certified mail, return receipt requested, addressed as follows:

To Lessor: Laurinburg and Southern Railroad
Company
P.O. Box 1929
Laurinburg, North Carolina 28362
Attn: _____

To Fifth Third: The Fifth Third Leasing Company
38 Fountain Square Plaza
Cincinnati, Ohio 45263
Attn: David A. Jackson

To Lessee: Carolina Power and Light Company
P.O. Box 1551
Raleigh, North Carolina 27602
Attn: H. A. Shamblin, Manager
Nuclear Contracting

Accepted and Agreed to on the 26 day of DEC,
19 90.

LESSEE:

CAROLINA POWER AND LIGHT COMPANY

By: H. A. Shamblin

Title: Mgr. - Nuclear Contracting

WITNESS:

Edwin H. Patterson
Sr. Procurement Specialist

LESSOR:

LAURINBURG AND SOUTHERN
RAILROAD COMPANY

By: John B. Evans

Title: President

John B. Evans
Director

FIFTH THIRD:

THE FIFTH THIRD LEASING COMPANY

By: John F. Markle

Title: A.V.P.

Michael H. Tolson
Gen

RAIL2.002
12/20/90

THIS PHOTO STAT IS CERTIFIED TO BE A TRUE AND CORRECT COPY OF THE NAMED DOCUMENT.

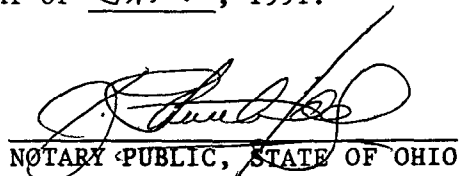
THE FIFTH THIRD BANK



ANN M. BLASE, PARALEGAL

SWORN TO AND SUBSCRIBED IN MY PRESENCE THIS 22 DAY OF JAN., 1991.

J. PATRICK LUDY, Attorney at Law
Notary Public — State of Ohio
My Commission has no Expiration Date
§ 147.03 R. C.


NOTARY PUBLIC, STATE OF OHIO